

Consolidated Financial Statements – Summary

November 4, 2003

(Six months ended September 30, 2003)

English translation from the original Japanese-language document

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)

Company name: **NICHIREI CORPORATION** (Code number 2871)

1. Results of FY 2004 interim (April 1, 2003 through September 30, 2003)

(1) Consolidated financial results (Amounts less than one million yen are omitted)

	Net sales	Operating income	Recurring income
	Million yen	Million yen	Million yen
FY 2004 interim	278,729	8,429	7,226
FY 2003 interim	286,339	9,511	7,906
FY 2003	563,440	18,275	16,283

	Net income	E.P.S.	Diluted E.P.S.
	Million yen	Yen	Yen
FY 2004 interim	3,928	12.65	-
FY 2003 interim	2,858	9.20	9.14
FY 2003	5,216	16.16	16.08

Note: Equity in earnings (losses) of affiliates in FY2004 interim: (16) million yen, FY2003 interim: 136 million yen, FY2003: 216 million yen

(2) Consolidated financial position

	Total assets	Shareholders' equity	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY 2004 interim	337,972	95,776	28.3	308.59
FY 2003 interim	354,686	89,639	25.3	288.58
FY 2003	330,703	90,666	27.4	291.46

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY 2004 interim	5,100	1,867	(3,868)	6,752
FY 2003 interim	7,507	(4,464)	(2,514)	4,004
FY 2003	30,642	(6,029)	(24,470)	3,581

(4) Scope of consolidation and equity method

Consolidated subsidiaries	72 companies
Unconsolidated subsidiaries	None
Equity method affiliates	16 companies

(5) Change in scope of consolidation and equity method

Consolidated subsidiaries	(increase) None	(decrease) 5
Equity method affiliates	(increase) 1	(decrease) None

2. Estimation of business results for the year ending March 31, 2004

	Net sales	Recurring income	Net income
	Million yen	Million yen	Million yen
FY 2004	506,000	13,700	5,900

Note: Estimated E.P.S. 19.00 yen

Consolidated Balance Sheets

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2003 interim (As of Sep. 30, 2002)	FY 2004 interim (As of Sep. 30, 2003)	FY 2003 (As of Mar. 31, 2003)	Increase (Decrease) from FY 2003
<Assets>				
Current Assets				
Cash and time deposits	4,020	6,762	3,581	3,181
Notes and account receivable – trade	83,469	78,589	71,455	7,133
Inventories	37,586	36,729	33,231	3,497
Deferred tax assets	1,681	1,589	1,732	(142)
Other current assets	6,464	7,423	6,757	665
Less allowance for doubtful accounts	(277)	(390)	(256)	(134)
Total	132,944	130,703	116,502	14,201
Fixed assets				
1. Tangible assets				
(1) Buildings and structures	95,092	91,977	93,255	(1,277)
(2) Machinery and equipment	19,605	17,794	18,782	(988)
(3) Land	45,110	44,661	44,961	(299)
(4) Construction in progress	2,917	50	330	(279)
(5) Other tangible fixed assets	1,646	1,534	1,562	(27)
Total	164,372	156,019	158,893	(2,873)
2. Intangible assets				
(1) Consolidation adjustment account	580	407	497	(89)
(2) Other intangible fixed assets	6,056	6,819	7,056	(236)
Total	6,637	7,227	7,553	(326)
3. Investments and other assets				
(1) Investment securities	34,530	30,193	31,921	(1,727)
(2) Deferred tax assets	4,068	3,422	4,255	(832)
(3) Other assets	13,856	11,898	12,633	(735)
Less allowance for doubtful accounts	(1,723)	(1,493)	(1,056)	(436)
Total	50,731	44,021	47,753	(3,732)
Total fixed assets	221,741	207,268	214,201	(6,932)
Total assets	354,686	337,972	330,703	7,268

Consolidated Balance Sheets

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2003 interim (As of Sep. 30, 2002)	FY 2004 interim (As of Sep. 30, 2003)	FY 2003 (As of Mar. 31, 2003)	Increase (Decrease) from FY 2003
<Liabilities>				
Current liabilities				
Notes and account payable – trade	47,863	45,125	40,045	5,080
Short-term bank loans	31,552	19,088	18,808	279
Commercial paper	30,000	13,000	15,000	(2,000)
Current portion of long-term loans	6,911	6,914	8,882	(1,968)
Current portion of bonds	5,000	-	-	-
Current portion of convertible bonds	6,307	-	6,307	(6,307)
Accrued expenses	16,699	18,236	17,604	631
Income taxes payable	2,581	3,300	3,188	112
Other current liabilities	7,793	8,438	9,572	(1,134)
Total	154,710	114,103	119,409	(5,305)
Long-term liabilities				
Bonds	45,000	45,000	45,000	-
Long-term loans	41,268	59,133	51,395	7,737
Deferred tax liabilities	215	308	282	26
Employees' retirement benefits	3,833	3,670	3,712	(41)
Directors' and statutory auditors' retirement benefits	680	448	766	(317)
Deposits received	18,219	18,191	18,195	(3)
Consolidation adjustment account	34	55	70	(15)
Other long-term liabilities	90	96	93	2
Total	109,342	126,904	119,515	7,389
Total liabilities	264,052	241,008	238,925	2,083
<Minority interests>	993	1,187	1,111	75
<Shareholders' equity>				
Common stock	30,307	30,307	30,307	-
Capital surplus	23,704	23,704	23,704	-
Retained earnings	34,447	38,684	35,872	2,812
Net unrealized holding gains on securities	1,206	2,662	847	1,815
Translation adjustment	69	602	107	494
Treasury stock	(96)	(185)	(173)	(12)
Total shareholders' equity	89,639	95,776	90,666	5,110
Total liabilities and shareholders' equity	354,686	337,972	330,703	7,268

Consolidated Statements of Income

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2003 interim (Apr. 2002– Sep. 2002)	FY 2004 interim (Apr. 2003– Sep. 2003)	Increase (Decrease)	FY 2003 (Apr. 2002– Mar. 2003)
Net sales	286,339	278,729	(7,609)	563,440
Cost of sales	234,094	226,064	(8,030)	461,318
Gross profit	52,244	52,665	420	102,121
Selling, general and administrative expenses				
Selling expenses				
Transportation and storage expense	12,110	11,855	(255)	23,576
Sales promotion expense	6,719	7,150	431	13,480
Advertising expense	1,754	2,378	623	3,367
Sales commission expense	1,734	1,468	(266)	3,135
Bad debts expense	2	-	(2)	12
Provision for doubtful accounts	32	123	91	83
Other selling expenses	901	1,034	133	1,777
Subtotal	23,255	24,011	755	45,434
General and administrative expenses				
Remuneration, salary and bonuses	8,922	8,729	(192)	17,520
Provision for employees' retirement benefits	890	1,308	418	1,922
Provision for accrued retirement benefit for directors	116	119	2	226
Fringe benefit	1,340	1,489	148	2,536
Depreciation and amortization	744	672	(71)	1,413
Amortization of consolidation adjustment account	93	90	(3)	183
Traveling expenses	806	789	(16)	1,604
Communication expenses	402	384	(17)	790
Rent expense	1,691	1,415	(276)	3,352
Business consignment fee	1,080	2,098	1,017	2,161
Research and development expense	1,161	1,046	(115)	2,279
Other general and administrative expense	2,226	2,079	(147)	4,418
Subtotal	19,478	20,224	746	38,410
Total	42,733	44,235	1,502	83,845
Operating income	9,511	8,429	(1,081)	18,275
Non-operating revenues				
Interest income	63	38	(25)	101
Dividend income	222	205	(16)	368
Equity in earnings of affiliates	136	-	(136)	216
Other non-operating revenues	669	647	(21)	1,771
Total	1,091	891	(199)	2,457
Non-operating expenses				
Interest expenses	1,343	1,170	(172)	2,530
Equity in losses of affiliates	-	16	16	-
Loss on disposal of obsolete inventories	411	-	(411)	619
Other non-operating expenses	941	907	(33)	1,299
Total	2,695	2,095	(600)	4,449
Recurring income	7,906	7,226	(680)	16,283
Extraordinary income				
Gain on sales of property, plant and equipment	168	30	(137)	766
Reversal of allowance for doubtful receivables	38	64	25	81
Gain on sales of investment securities	-	1,023	1,023	231
Total	207	1,118	911	1,080
Extraordinary losses				
Loss on sales of property, plant and equipment	7	19	12	20
Loss on disposal of property, plant and equipment	427	230	(196)	1,072
Loss on sales of investment securities	1,739	-	(1,739)	2,463
Loss on discontinued operations	491	130	(360)	748
Loss on devaluation of investment securities	256	226	(29)	3,431
Loss on devaluation of golf membership	165	-	(165)	250
Provision for doubtful accounts	-	535	535	-
Total	3,088	1,143	(1,944)	7,987
Income before income taxes	5,026	7,201	2,174	9,377
Income taxes – current	2,657	3,431	773	4,373
Income taxes – deferred	(498)	(247)	251	(418)
Total	2,158	3,184	1,025	3,954
Minority interest in net income of consolidated subsidiaries	8	88	80	206
Net income	2,858	3,928	1,069	5,216

Consolidated Statements of Appropriations

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2003 interim (Apr. 2002–Sep. 2002)	FY 2004 interim (Apr. 2003–Sep. 2003)	FY 2003 (Apr. 2002–Mar. 2003)
<Capital Surplus>			
Balance at beginning of period	23,704	23,704	23,704
Balance at end of period	23,704	23,704	23,704
<Retained Earnings>			
Balance at beginning of period	32,694	35,872	32,694
Increase in retained earnings			
Net income	2,858	3,928	5,216
Total	2,858	3,928	5,216
Decrease in retained earnings			
Cash dividends	932	931	1,864
Bonuses to directors	173	184	173
Total	1,106	1,116	2,038
Balance at end of period	34,447	38,684	35,872

Consolidated Statements of Cash Flows

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

	FY 2003 interim (Apr. 2002– Sep. 2002)	FY 2004 interim (Apr. 2003– Sep. 2003)	Increase (Decrease)	FY 2003 (Apr. 2002– Mar. 2003)
Cash flows from operating activities				
Income before income taxes and minority interests	5,026	7,201	2,174	9,377
Depreciation and amortization	6,349	5,864	(485)	12,767
Provision for doubtful accounts	165	515	350	(608)
Provision for employees' retirement benefits	(184)	(31)	153	(290)
Decrease (increase) in prepaid pension expenses	(1,449)	705	2,154	(1,146)
Equity in loss (earnings) of affiliates	(136)	16	153	(216)
Loss on disposal of property, plant and equipment	251	221	(30)	642
Loss on devaluation of investment securities	256	226	(29)	3,431
Loss on devaluation of golf membership	165	-	(165)	250
Interest and dividend income	(285)	(244)	41	(469)
Interest expense	1,343	1,170	(172)	2,530
Gain on sales of property, plant and equipment	(161)	(11)	149	(746)
Loss (gain) on sales of investment securities	1,739	(1,023)	(2,762)	2,282
Decrease (increase) in notes and accounts receivable – trade	(4,675)	(7,403)	(2,727)	7,154
Decrease (increase) in inventories	(1,331)	(3,649)	(2,318)	2,708
Increase (decrease) in notes and accounts payable – trade	2,807	5,066	2,259	(4,876)
Other	(35)	433	469	2,571
Subtotal	9,846	9,059	(786)	35,363
Interest and dividend income received	711	426	(285)	689
Interest expense paid	(1,387)	(1,176)	211	(2,560)
Income taxes paid	(1,662)	(3,210)	(1,547)	(2,849)
Net cash provided by operating activities	7,507	5,100	(2,406)	30,642
Cash flows from investing activities				
Purchase of property, plant and equipment	(4,731)	(3,399)	1,332	(6,673)
Proceeds from sales of property, plant and equipment	876	410	(466)	4,715
Purchase of investment securities	(2,346)	(293)	2,053	(5,702)
Proceeds from sales of investment securities	2,390	5,791	3,401	3,117
Decrease (increase) in short-term loans receivable	(215)	10	225	(211)
Payment of long-term loans receivable	(7)	(4)	2	(11)
Proceeds from collection of long-term loans receivable	53	36	(17)	79
Other	(483)	(684)	(200)	(1,342)
Net cash provided by (used in) investing activities	(4,464)	1,867	6,331	(6,029)
Cash flows from financing activities				
Decrease in short-term bank loans	(11,863)	(40)	11,823	(24,725)
Increase (decrease) in commercial paper	15,000	(2,000)	(17,000)	-
Proceeds from long-term debt	1	9,200	9,198	15,301
Repayment of long-term debt	(4,576)	(3,657)	918	(7,949)
Proceeds from issuance of bonds	20,000	-	(20,000)	20,000
Redemption of bonds	(20,000)	(6,307)	13,693	(25,000)
Dividends paid	(932)	(932)	0	(1,865)
Other	(143)	(130)	12	(232)
Net cash used in financing activities	(2,514)	(3,868)	(1,353)	(24,470)
Effects of exchange rate changes on cash and cash equivalents	(83)	71	155	(119)
Net increase in cash and cash equivalents	445	3,171	2,725	22
Cash and cash equivalents at beginning of period	3,559	3,581	22	3,559
Cash and cash equivalents at end of period	4,004	6,752	2,748	3,581

Industrial Segment Information

NICHIREI CORPORATION

(Million yen; amounts less than one million yen are omitted)

(1) FY 2003 interim (Apr. 2002–Sep. 2002)

	Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	45,739	164,616	69,891	3,775	2,316	286,339	-	286,339
Intra-group sales and transfers	9,865	16,185	374	71	2,101	28,598	(28,598)	-
Total	55,605	180,802	70,265	3,846	4,417	314,937	(28,598)	286,339
Operating expenses	51,690	173,945	70,084	1,590	4,109	301,419	(24,591)	276,827
Operating income	3,914	6,857	181	2,256	308	13,518	(4,006)	9,511

(2) FY 2004 interim (Apr. 2003–Sep. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	74,300	43,758	34,331	48,479	3,938	70,943	2,977	278,729	-	278,729
Intra-group sales and transfers	12,827	2,837	2,643	10,038	103	417	1,178	30,045	(30,045)	-
Total	87,127	46,595	36,974	58,518	4,041	71,360	4,156	308,775	(30,045)	278,729
Operating expenses	82,944	47,085	36,328	55,502	1,055	71,037	3,472	297,426	(27,126)	270,299
Operating income (loss)	4,183	(489)	646	3,015	2,985	323	683	11,348	(2,918)	8,429

(3) FY 2003 (Apr. 2002–Mar. 2003)

	Logistics	Foods	Wholesale Foods	Real Estate	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	91,439	318,984	140,267	7,702	5,046	563,440	-	563,440
Intra-group sales and transfers	18,739	32,380	753	179	3,491	55,545	(55,545)	-
Total	110,178	351,365	141,020	7,882	8,538	618,985	(55,545)	563,440
Operating expenses	103,053	338,558	140,083	3,003	8,163	592,861	(47,697)	545,164
Operating income	7,125	12,807	937	4,878	375	26,123	(7,847)	18,275

Note: For the fiscal year ending March 2004, the Company has redefined its business segments and allocation of certain expenses to each business segment in connection with its introduction of division-company structure. Segment information for the FY 2003 and FY 2003 interim periods under the new segmentation is provided on the following page.

The "Temperature-Controlled Logistics" business segment, shown in previous financial statements, has been renamed as the "Logistics" segment.

(4) FY 2003 interim (Apr. 2002–Sep. 2002)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	75,826	53,401	33,569	46,618	3,125	69,891	3,907	286,339	-	286,339
Intra-group sales and transfers	12,222	3,794	2,180	10,178	71	374	1,086	29,907	(29,907)	-
Total	88,048	57,195	35,750	56,797	3,196	70,265	4,993	316,247	(29,907)	286,339
Operating expenses	83,632	56,412	35,766	53,002	1,178	70,084	4,577	304,653	(27,825)	276,827
Operating income (loss)	4,416	783	(16)	3,795	2,018	181	416	11,594	(2,082)	9,511

(5) FY 2003 (Apr. 2002–Mar. 2003)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues	146,472	99,390	69,362	93,733	6,400	140,267	7,813	563,440	-	563,440
Intra-group sales and transfers	25,047	7,452	4,210	19,192	179	753	2,201	59,037	(59,037)	-
Total	171,519	106,843	73,572	112,926	6,580	141,020	10,015	622,477	(59,037)	563,440
Operating expenses	163,297	106,172	73,097	106,006	2,231	140,083	9,266	600,155	(54,991)	545,164
Operating income	8,222	670	475	6,919	4,349	937	748	22,322	(4,046)	18,275

Forecast

NICHIREI CORPORATION
(Hundred Million yen)

Note: Yukiwa, Co. Ltd., which constitutes Nichirei's "Wholesale Foods" business segment, merged with Ryoshoku Food Service Limited, a subsidiary of Ryoshoku Limited on October 1, 2003. The new company, RY Food Service Limited, is a consolidated subsidiary of Ryoshoku Limited, and an equity method affiliate of the Company. Therefore, the new company is out of scope of the Company's consolidation.

FY 2004 (April 2003 - March 2004)

	Processed Foods	Marine Products	Meat and Livestock	Logistics	Real Estate	Wholesale Foods	Other	Total	Intercompany eliminations and corporate	Consolidated
Operating revenues (*1)	1,736	1,000	746	1,149	76	714	79	5,500	(440)	5,060
Operating income	75	(2)	10	57	53	3	13	209	(53)	156

(*1) Operating revenues include Intra-group sales and transfers.

Cautionary Statement with Respect to Forward-Looking Statements

This publication contains, in addition to historical facts, forward-looking statements that are based on Nichirei's and its Group companies' current expectations, estimates and projections regarding plans, outlook, strategies and results for the future. All such statements are based on management's assumptions and beliefs derived from the information available to it at the time of publication of this annual report. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will," and variations of these words or similar expressions are intended to identify forward-looking statements, from which actual results may differ significantly. Thus, it is advised that investors refrain from making investment decisions based solely on these forward-looking statements. Nichirei and its Group companies will not necessarily revise their forward-looking statements in accordance with new information, future events and other results. Risks and uncertainties that could affect the actual results of Nichirei and its Group companies include, but are not limited to:

- 1) economic conditions and industry environment, particularly levels of consumer spending, surrounding the business activities of Nichirei and its Group companies;
- 2) currency exchange rate fluctuations, particularly involving the U.S. dollar and euro;
- 3) Nichirei's and its Group companies' ability to implement growth strategies and build a low-cost structure;
- 4) Nichirei's and its Group companies' ability to reduce interest-bearing obligations;
- 5) effect of natural disasters; and
- 6) serious and unpredictable effects that may be caused by future events.